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C O N F I D E N T I A L SECTION 01 OF 05 STATE 075702

SIPDIS

E.O. 12958: DECL: ASS: 07/14/18

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SUBJECT: ADDROACHING THE EU IN ADVANCE OF TH

SUBJECT: APPROACHING THE EU IN ADVANCE OF THE JULY 22-23 FOREIGN MINISTERS MEETING (GAERC)

- 11. (U) Classified by Jeffrey Giauque, Senior Political Officer, EUR/ERA. Reasons: 1.4(b) and (d).
- 12. (U) This is an action request. See paragraph 12.
- 13. (SBU) Summary: EU Foreign Ministers will hold their next General Affairs and External Relations Council (GAERC) meeting in Brussels on July 22-23. We expect the formal agenda to include: Somalia, Chad/Sudan/Darfur, Zimbabwe, and Ukraine. Although Iran is not on the formal agenda, we expect that it will be discussed. A background section covering some of these issues is provided prior to a section containing talking points. Points are to be delivered as soon as possible at the appropriate level to EU members only. Other posts should not/not deliver these points. Posts are requested to include the SIPDIS caption on their response cables and to reference this cable.

BACKGROUND

IRAN

- 14. (C) For several months, we have urged the EU to take three key steps on Iran: 1) designate a list of additional entities (including Bank Melli) and individuals associated with Iran's nuclear and missile programs under existing EU policy, 2) Adopt UNSCR 1803 into EU policy, and 3) adopt a series of truly new autonomous measures that go beyond existing EU policy. On June 23, the EU took the first of these steps, adding 12 prominent individuals and 14 entities, including Bank Melli, Iran's largest bank, to its existing designation list for travel bans and asset freezes.
- 15. (C) Although the EU has already implemented some parts of UNSCR 1803 (including the ban on Nuclear Suppliers Group-controlled dual-use items and by designating all of the names in the resolution's annex), it has not yet formally incorporated other parts into EU policy and regulations, including the calls for additional vigilance on Iranian banks and inspections of cargo transported by two specific Iranian shipping and aviation lines involved in proliferation activities. We had expected the EU to take these remaining steps on 1803 at its monthly foreign ministers meeting July 22-23, but the fact that Iran is not currently on the GAERC agenda suggests this may not happen.
- 16. (C) Beyond implementing 1803 in a robust manner, we would like the EU to implement the broadest possible package of additional autonomous measures on which it can reach consensus. This could include such steps as a ban

on new export credits or a ban on new investments in Iran's oil and gas sector. Ideally, the EU would implement these autonomous measures at the same time it adopted 1803 into EU policy, but if consensus cannot be reached to act on the autonomous measures so quickly, then we want the EU to implement the autonomous measures as soon as possible after it adopts 1803.

- 17. (C) If consensus on strong new EU actions cannot be reached expeditiously, we hope individual EU Member States or groups of Member States (a "coalition of the willing") will take action. We have stressed to the EU that other key states, including Asian and Middle Eastern countries, look to the EU to show leadership on Iran. We are hopeful that others will follow the EU lead on both the June 23 designations and any future steps the EU may take in order to increase the pressure on Iran as much as possible.
- 18. (C) Pursuing sanctions is entirely consistent with and supportive of the P5+1 dual track policy. HR Solana delivered the updated P5+1 incentives package to the Iranians June 14 and Tehran formally responded to Solana on July 4. While the Iranian response is still being studied, we must maintain and increase the pressure until Iran complies with its obligations. Solana is set to travel to meet again with Iranian officials to discuss our offer on July 19; sending an EU signal that it will

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SOMALIA

19. (SBU) The United States continues to support the transitional political process outlined by Somalia's Transitional Federal Charter, which provides the mandate for the Transitional Federal Government (TFG) and outlines a process leading to national elections in 2009, as the best framework for achieving lasting peace and stability in Somalia. We fully support the June 9 agreement between the TFG and the Alliance for the Re-liberation for Somalia (ARS) and will continue to work closely with the United Nations (UN) Special Representative of the Secretary General (SRSG), Ahmedou Ould-Abdallah, and our international partners to ensure the agreement is fully implemented. To ensure that the agreement is successful, the international community must move quickly to provide support, including continuing our efforts to improve the security environment inside Somalia by supporting the African Union Mission in Somalia (AMISOM), moving towards deployment of a UN peacekeeping operation in Somalia, and undertaking longer-term security sector reform efforts. We also continue to focus on the issue of piracy and armed robbery off the coast of Somalia and are working with our Security Council partners in this regard.

ZIMBABWE

 $\P 10.$ (SBU) The political, economic and humanitarian situations remain in flux in Zimbabwe. Since the March 29 national election, at least 100 people have lost their lives, 30,000 have been driven from their homes, and hundreds have sought medical attention because of political violence. Prior to the June 27 runoff presidential election, the Mugabe regime also suspended activities of many NGOs, compounding an already delicate humanitarian situation. Hyperinflation and a crumbling economy, fueled by the regime's unwillingness to follow rudimentary financial protocols and practices, have put Zimbabwe on the brink of complete collapse. The situation is complicated by a regional response that has been slow and ineffective to date in mediating a political solution. As a precursor to return to the negotiating table, opposition leader Morgan Tsvangirai has stated unequivocally that he will not negotiate with the Mugabe regime until the African Union (AU) becomes involved, the violence ends, and the Movement for Democratic Change (MDC) party officials and supporters are released from

UKRAINE

111. (SBU) The Ukrainian government has emphasized its intention for further integration into European and Euro-Atlantic institutions. Despite significant efforts in advance of the NATO Summit in Bucharest, Ukraine was not offered a NATO Membership Action Plan (MAP), but the Allies agreed in the Summit Declaration that Ukraine "will Become" a member of NATO, with Foreign Ministers empowered to make a decision at the December Ministerial. While MAP is not a guarantee of membership, this key step will help solidify democratic gains, civilian accountability and promote further reform in Ukraine. EU membership remains a longer term project, however, as several EU member states have resisted further integration with Kyiv beyond plans for a free trade agreement and the EU's proposed "Eastern Partnership." Ukraine's relations with the EU are currently governed by a Partnership and Cooperation Agreement (PCA) in force since 1998. Kyiv sees the document as outdated and politically insufficient, and negotiations to replace the PCA began in March 2007. To date, eight rounds of talks - mainly focusing on a free trade agreement - have taken place. The most recent talks on June 2-4 saw the launch of a discussion on the general principles and framework of a new "enhanced agreement." The French EU Presidency hopes to finalize this part of the negotiations by the time of the EU-Ukraine Summit on September 9 in Evian, France. Energy issues will likely be a significant component of those discussions.

112. (SBU) ACTION REQUEST: Please deliver the following points to the appropriate MFA official(s) as soon as possible (in advance of the July 22-23 GAERC).

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IRAN

- --We appreciate the EU's June 23 adoption of a list of additional designations of individuals and entities associated with Iran's nuclear program for travel bans and asset freezes. We hope that all EU Member States will implement these designations rapidly and effectively.
- --We look forward to the EU's adoption of UNSCR 1803 into an EU Common Position in the most robust manner possible. This could include making mandatory those provisions left as voluntary in the resolution, such as the calls for additional vigilance on Iranian banks and inspections on cargo transported by Iran Air Cargo and the Islamic Republic of Iran Shipping Line. We strongly urge the EU to act on 1803 at the July 22-23 foreign ministers meeting (GAERC).
- --Beyond 1803, we urge the EU to develop a strong package of autonomous measures to increase the pressure on Iran to negotiate. Effective steps could include a ban on new export credits and a ban on new investments in Iran's oil and gas sector.
- --In order to maximize the impact of new EU action and to build on the momentum created by the June 23 designations, such autonomous measures would ideally be adopted at the same time the EU implements 1803. However, if consensus cannot be reached on this, then we would like the EU to implement the autonomous measures as soon as possible after completing the implementation of 1803.
- --Pursuing autonomous sanctions and implementing those mandated by the UNSC is entirely consistent with and supportive of the P5+1 dual track policy. We hope that Iran will agree to suspend its proliferation sensitive nuclear activities, but we must continue to ratchet up the pressure on Iran until Iran complies with its

international obligations.

- --Many states in Asia, the Middle East, and elsewhere are looking to the EU for leadership on Iran, and are likely to follow its lead, either in taking decisive action or in allowing Iran to continue to stall for time.
- --Time is of the essence. Although sanctions take time to work, they are a critical tool for international pressure; meanwhile, Iran is advancing in its uranium enrichment and other sensitive nuclear activities in a bid to present the international community with a perception of progress real or symbolic that we cannot accept.

SOMALIA

- --The United States fully supports the June 9 agreement between the TFG and ARS reached in Djibouti and fully supports the efforts of the UN SRSG, Ahmedou Ould-Abdallah, to ensure the full and effective implementation of this agreement. We continue to encourage all Somali parties to adhere to the terms of the agreement and to work together in a process of peaceful dialogue to resume the transitional process as outlined by the Transitional Federal Charter.
- --While we continue to support the ongoing political dialogue process, we urge the European Union (EU) and its member-states to provide financial support for the African Union Mission in Somalia (AMISOM), which is already playing a key role on the ground in helping to create the conditions for lasting peace and stability.
- --At the same time, we must begin to quickly move towards deployment of a UN peacekeeping operation in Somalia in response to the request contained in the June 9 agreement to authorize and deploy an international stabilization force.
- --The United States also remains deeply concerned about the increasing number of acts of piracy and armed robbery off the coast of Somalia, and strongly supports regional efforts to strengthen maritime security.
- $\mbox{--}\mbox{Following}$ the adoption of UN Security Council Resolution 1816, we are seeking confirmation from those countries

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--In addition, we urge all countries, particularly those with the legal capacity to do so, to commit to take into custody, investigate, and prosecute, as feasible and permitted by national laws, persons detained in the course of interdiction operations, in support of implementation of UNSCR 1816. Detained persons may include victims, suspects, or witnesses.

SUDAN/DARFUR

- --The United States and the EU must continue to push for robust implementation of the Comprehensive Peace Agreement (CPA), particularly resolution of the Abyei boundary dispute. The recent military confrontation between northern and southern troops in Abyei, resulting in extremely dire humanitarian circumstances, underscores the importance of permanently resolving key areas of impasse under the CPA.
- --Continued U.S. and EU efforts to train and equip troop contributing countries for their participation in the UN/African Union hybrid mission in Darfur (UNAMID) are crucial to that mission's success.

--The Darfur peace process needs robust reinvigoration. The U.S. and EU must jointly continue support for the UN/AU led process, including the recent appointment of Burkinabe Foreign Minister Djibril Bassole as the Joint Chief Mediator, while pushing for forward movement.

CHAD

- --Both the U.S. and EU need to support the regional contact group created out of the Dakar Accord and the African Union's efforts to urge both Chad and Sudan to repair diplomatic relations immediately and commit to bringing peace to the region.
- --The U.S. and EU should also support the Contact Group's efforts to establish a security force with a mandate to secure the border, also laid out in the framework of the accord.
- --The crisis in Darfur has extended beyond the borders of Sudan into Chad, resulting in an estimated 400,000 Sudanese refugees and IDPs living in Chad. Renewed tensions between Sudan and Chad threaten humanitarian operations and the success of EUFOR and MINURCAT operations.

ZIMBABWE

- --We welcome EU attention to the situation in Zimbabwe and urge the EU to expand its list of targeted sanctions of individuals and state-owned enterprises. We urge the EU to consider listing all of the individuals and entities subject to the U.S. Zimbabwe sanctions program. The United States would welcome further information sharing with the EU on this matter.
- --The U.S. draft resolution contains Chapter VII measures, which would impose a comprehensive arms embargo as well as an asset freeze and travel ban on those designated as having engaged in or provided support for actions or policies to undermine democratic processes or institutions in Zimbabwe, including having ordered, planned, or participated in acts of politically motivated violence.
- --We need your support for getting the AU, UN, and members of SADC, especially Angola, Mozambique, Namibia, and South Africa, to help to mediate negotiations between Mugabe and MDC leader Morgan Tsvangirai.

UKRAINE

--We should work together to promote government stability in Ukraine and stress the need to put the good of the country above individual interests. We encourage the EU to recognize Ukraine's westward orientation and to remain open to cooperation and partnership whenever possible. Signaling to Ukraine that membership is possible upon fulfillment of proper conditions would reinforce and

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SUBJECT: APPROACHING THE EU IN ADVANCE OF THE JULY 22-23 FOREIGN MINISTERS MEETING (GAER accelerate political and economic reform. Conversely, a closed door would likely have a negative effect on Ukraine's development and its westward orientation.

- --We welcome Ukraine's continued work with the EU, and we look forward to coordinating with Brussels on actions to advance economic reforms and promote domestic stability. In particular, we hope to work in tandem with the EU to encourage greater attention to battling corruption, promoting transparency, and improving the investment climate in Ukraine.
- $\mbox{--We}$ also look forward to working with the EU on developing a trilateral energy dialogue with Ukraine that

promotes greater transparency, efficiency, diversification of energy sources and routes, the elimination of middlemen, and market principles.

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